

**CONRAIL**



2-085 A066

No. ....  
Date 4/5/82 .....  
Fee \$ 50.00 .....

March 26, 1982

13616  
APR 5 1982-10 05 AM  
INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

Agatha Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Dear Ms. Mergenovich:

Enclosed is an original and two counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 U.S. Code.

This document is a Conditional Sale Agreement, a primary document dated March 15, 1982. A previous document to which this is connected, a Lease, was originally filed with the ICC under Recordation Number 4231. The enclosed Conditional Sale Agreement is a new and separate document covering some of the same equipment as that covered by the original Lease which has already expired. Please cancel the Recordation No. of the old Lease, and give this new Agreement a new Recordation Number.

The primary document covers Equipment including 192 100-ton triple hopper cars.

The names and addresses of the parties to the documents are as follows:

Seller: C.I.T. Leasing Corporation  
as agent for C.I.T. Financial Services, Inc  
650 Madison Avenue  
New York, NY 10022  
Attn: N. Zdanow, Vice President

Buyer: Consolidated Rail Corporation  
Room 1310, Six Penn Center Plaza  
Philadelphia, PA 19104  
Attn: Director, Equipment Financing

March 26, 1982  
Page 2

A fee of \$50 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Walter Heiser, Esquire  
Consolidated Rail Corporation  
Law Department  
1138 Six Penn Center Plaza  
Philadelphia, PA 19104

Sincerely,



Walter Heiser  
Attorney - Corporate

WH/dej

Enclosure

cc: Beth Blaskey

Leo Sheer, Esquire  
C.I.T. Corporation  
650 Madison Avenue  
New York, NY 10022

*Stamped in  
3/26/82*

**Interstate Commerce Commission**  
Washington, D.C. 20423

**4/5/82**

OFFICE OF THE SECRETARY

**Walter Heiser, Esq.**  
**Consolidated Rail Corp.**  
**1138 Six Penn Center Plaza**  
**Phila.PA. 19104**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **4/5/82** at **10:05am**, and assigned re-recording number(s). **13616**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

APR 5 1982 10 25 AM

CONDITIONAL SALE AGREEMENT INTERSTATE COMMERCE COMMISSION

This Conditional Sale Agreement dated March 15, 1982 is between C.I.T. Financial Services, Inc. (formerly Universal C.I.T. Credit Corporation ), a West Virginia corporation, acting through its agent, C.I.T. Leasing Corporation ("Seller") and Consolidated Rail Corporation, a Pennsylvania corporation ("Buyer").

1. The Seller has offered the Buyer a choice of buying the Railroad Equipment described in Schedule A attached hereto for a stated cash purchase price, or of buying such property for a contract time price which permits the Buyer to purchase it now but pay in installments over an extended period of time. The Seller hereby sells and the Buyer hereby purchases the property from the Seller and elects to pay the contract time price set forth in Paragraph 3 unless Buyer exercises its prepayment rights as set forth in Paragraph 3.

2. Buyer is in possession of the Railroad Equipment pursuant to a Lease of Railroad Equipment (the "Lease") dated as of February 1, 1967 between Seller as Lessor and Rydal Equipment Company as Lessee. The Railroad Equipment was subleased to the Reading Company. The Buyer has succeeded to the rights of the Reading Company and is the Sublessee under the Lease. Rydal Equipment Company as Lessee did not exercise its purchase option rights under Section 13 of the Lease within the stated period; Seller, therefore, has offered to sell the Railroad Equipment to Buyer pursuant to

this Conditional Sale Agreement. The original Lease was recorded with the Interstate Commerce Commission on March 9, 1967 at 2:50 P.M. and bears Recordation No. 4231.

3. The stated cash purchase price is \$10,886 per unit for a total cash purchase price of \$2,090,112 for 192 units of the Railroad Equipment. The Seller has agreed to finance this purchase price at the rate of 16% per annum for 10 years. Buyer promises to pay Seller 40 consecutive payments of \$550 per unit per quarter or \$105,600 for 192 units per quarter, in arrears, each commencing on June 15, 1982 for a total contract time price of \$4,224,000 for 192 units of the Railroad Equipment. The Buyer has the option to prepay its indebtedness for any unit of the Railroad Equipment at any time without premium as provided for in Schedule B attached hereto. Upon paying the prepayment amount set forth in Schedule B Buyer shall have no further obligation to Seller as to such unit of the Railroad Equipment. Seller shall upon receipt of the final payment due under this Conditional Sale Agreement provide Buyer with, and execute, such documents as Buyer may reasonably request to reflect such final payment.

4. Title to the Railroad Equipment (including title for the purposes of any tax credits or depreciation available under Federal and/or state tax laws) shall vest in Buyer upon execution of this Conditional Sale Agreement.

5. In addition to any remedies provided in this Conditional Sale Agreement, Seller shall have all the rights

provided to a secured party under Section 1168 of Title 11 of the United States Code and any successor provisions thereto.

6. As security for its obligation to pay the contract time price and its other obligations under this Conditional Sale Agreement, the Buyer hereby grants to the Seller a security interest in the Railroad Equipment described in Schedule A attached hereto which it is now buying, together with all attachments and additions, replacements and substitutions pursuant to this Conditional Sale Agreement, and proceeds, including amounts payable under any insurance policy required by Paragraph 13(b) of this Conditional Sale Agreement, all hereinafter referred to as "collateral."

7. Any installment not paid when due shall, at the option of Seller, bear late charges thereon calculated at the highest rate permitted by relevant laws, but in no event more than 1½% per month.

8. Seller is selling the Railroad Equipment on an "as is, where is" basis; the Seller makes no warranties with respect to the Railroad Equipment except that the Seller declares that it has full power and authority to convey good title to the Railroad Equipment, free and clear of all liens, except such as may have been created by the Buyer as Sublessee or by its predecessors in interest under the Lease and that so long as Buyer is not in default under this Conditional Sale Agreement neither Seller nor any assignee or successor of Seller shall disturb Buyer's use and quiet enjoyment of

the Railroad Equipment. Buyer will settle all claims, defenses, setoffs and counterclaims it may have of any nature against the Railroad Equipment manufacturer, including but not limited to defects in the Railroad Equipment and the like, directly with the Railroad Equipment manufacturer and not set up any such claim, defense, setoff or counterclaim against Seller or its assigns.

9. Buyer acknowledges that: Seller is in no way related to or connected with the Railroad Equipment manufacturer; Seller has no knowledge or information as to the condition or suitability for Buyer's purpose of the collateral; and Seller's decision to sell this Railroad Equipment is made in reliance on Buyer's warranties, agreements and covenants herein, including Buyer's express agreement not to assert against Seller any claims, defenses, setoffs or counterclaims it may now or in the future have against the Railroad Equipment manufacturer.

10. Buyer warrants and represents: (a) that Buyer is justly indebted to Seller for the full amount of the foregoing indebtedness; (b) that except for the security interest granted hereby the collateral is free from and will be kept free from all liens, claims, security interests and encumbrances not permitted by Paragraph 11 of this Conditional Sale Agreement; (c) that all information supplied and statements made by Buyer in any financial, credit or accounting statement, or application for credit prior to, contemporaneously with or subsequent to the execution of this agreement

with respect to this transaction are and shall be true, correct, valid and genuine; (d) Buyer has full authority to enter into this agreement and in so doing it is not violating any law or regulation or agreement with third parties, and it has taken all such action as may be necessary or appropriate to make this agreement binding upon it.

11. Buyer agrees: (a) to defend at Buyer's own cost any action, proceeding or claim affecting the collateral; (b) to pay reasonable attorneys' fees and other expenses incurred by Seller in enforcing its rights after Buyer's default; (c) to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the collateral or this Conditional Sale Agreement not contested by Buyer in good faith other than taxes based on the net income of Seller, value added taxes in lieu of such net income taxes or Seller's corporate excise, franchise, property, FICA, FUTA or their equivalent taxes. (Seller will not invoice Buyer for taxes the liability for which Buyer is exempt under the Northeast Rail Service Act of 1981 or any other provision of law. Buyer shall so advise Seller in writing of such exemption.); (d) to do everything necessary or expedient to preserve or perfect the security interest of Seller; (e) that it will not misuse, fail to keep in good repair (ordinary wear and tear excepted), secrete, or without the prior written consent of Seller, and notwithstanding Seller's claim to proceeds, sell, rent, lend, encumber or transfer any of the collateral, except as provided in Sub-



paragraphs (g) and (h) of this Paragraph 11; (f) that Seller may at Seller's risk enter upon Buyer's premises or wherever the collateral may be located at any reasonable time and upon reasonable notice to inspect the collateral at Seller's expense; (g) notwithstanding any provision to the contrary Buyer may, without the consent of Seller, lease or permit the use of the Railroad Equipment or any units thereof (such lease or use to be subject to the rights and remedies of the Seller hereunder) to or by a lessee or user incorporated in the United States of America (or in a state thereof or the District of Columbia), upon lines of railroad owned or operated by the Buyer or such lessee or user or by a railroad company or companies incorporated in the United States of America (or any state thereof or the District of Columbia), or over which the Buyer, such lessee, such user, or such railroad company or companies have trackage rights or railroad of connecting and other carriers in the usual interchange of traffic or in through or non-through service, but only upon and subject to all the terms and conditions of this Conditional Sale Agreement; provided, however, that the Seller's consent, not to be unreasonably withheld, must be obtained for any lease that is for a term longer than six months or is renewable for a term more than six months; provided, further, however, that the Buyer shall not lease or permit the sublease or use of any unit of the Railroad Equipment for service involving operation or maintenance outside the United States of America except that occasional service in Canada shall be

permitted so long as such service in Canada is de minimis and does not involve regular operation and maintenance outside the United States of America; and (h) notwithstanding any provision to the contrary Buyer may enter into an agreement with any third party or parties by which tax title to the Railroad Equipment or any unit thereof is transferred to said third party or parties through a sale, lease, transfer or other encumbrance of the Railroad Equipment or any unit thereof for tax purposes which meets all requirements of Section 168(f)(8) of the Internal Revenue Code of 1954, as it now exists or may hereafter be amended, and Seller hereby consents to such agreement and agrees to execute such consent forms as may reasonably be required to effectuate such agreement; however, notwithstanding anything contained herein to the contrary any sale for tax purposes must be in a format as not to prejudice Seller's first lien position hereunder.

12. In the event that any unit of the Railroad Equipment during the term of this Conditional Sale Agreement shall become lost; stolen; destroyed; irreparably damaged; permanently rendered unfit for use; or, in the reasonable opinion of the Buyer, worn out or damaged beyond the economic limit of repair, from any cause whatsoever; or taken or requisitioned by condemnation or otherwise by the United States Government for a period which shall exceed the then remaining term of this Conditional Sale Agreement, or by any other government or governmental entity resulting in the loss of possession by the Buyer for a period of 60 consecu-

tive days (such occurrences being hereinafter called "Casualty Occurrences"), Buyer shall so notify Seller. On the payment date next following the date of such Event of Loss, Buyer shall pay to Seller the Casualty Value of such unit of Railroad Equipment, determined as of such payment date, together with any unpaid amount due on or prior to such date, whereupon Buyer's obligation to pay further amounts for such unit of the Railroad Equipment shall cease, but Buyer's obligation to pay for all other units of the Railroad Equipment shall remain unchanged. The Casualty Value shall be an amount determined on the casualty schedule attached hereto as Schedule B. Notwithstanding any provisions of this Paragraph 12 to the contrary, Buyer may elect at its sole discretion to provide replacement collateral consisting of railroad equipment of the same age, type and condition as the Railroad Equipment or such other railroad equipment as is acceptable to Seller (such acceptance not to be unreasonably withheld) for any unit of the Railroad Equipment which has suffered a Casualty Occurrence (such replacement collateral to be documented as may be reasonably required by Seller) in which case Buyer's obligation to pay further amounts due under Paragraph 3 of this Conditional Sale Agreement as to such unit of the Railroad Equipment shall continue.

13. (a) Subject to the limitations set forth in Paragraph 12 of this Conditional Sale Agreement, all risk of loss of, damage to or destruction of the collateral shall at all times be on Buyer except for loss, damage or destruction

resulting from a negligent act or omission of Seller, its officers, employees, agents, representatives, assignees, and/or successors.

(b) Buyer shall, at its own expense, during the term of this Conditional Sale Agreement, insure the Railroad Equipment against (i) physical loss or damage for an amount that shall in no event be less than the Casualty Value which would then be payable in respect of any Casualty Occurrence thereof, with a deductible of not more than \$2,000,000 per occurrence for collision or derailment damage and \$750,000 per occurrence for all other types of damage, and (ii) general public liability for death or bodily injury and damage to property of others, in an amount of not less than \$25,000,000 for death or bodily injury and \$500,000 for property damage with deductibles of not more than \$2,000,000 per occurrence. Seller shall not withhold consent from any reasonable changes in the insurance coverage or deductibles provided for by this Subparagraph (b). Buyer shall have the right to insure the Railroad Equipment, for its own account, for the amount by which its fair market value exceeds the coverage required hereunder.

(c) All insurance policies required hereunder shall (i) be issued by insurance carriers of recognized responsibility, (ii) cover the interests of Buyer and Seller and protect Buyer and Seller in respect of risks arising out of the condition, maintenance, use, ownership and operation of the Railroad Equipment, (iii) provide that the insurance

carrier give at least 30 days' prior notice in the event of cancellation or material alteration in coverage, (iv) provide, as to such physical damage insurance, that the losses, if any, shall be payable to a secured party under a standard mortgage loss payable clause, and (vi) not require co-insurance.

(d) The proceeds of any physical damage insurance received by Seller or any assignee of Seller shall be paid to Buyer: (i) in the case of a Casualty Occurrence with respect to any unit of the Railroad Equipment upon payment by Buyer of the Casualty Value of such unit of the Railroad Equipment, or (ii) upon the loss, damage or destruction of any unit of the Railroad Equipment which does not constitute a Casualty Occurrence, upon the receipt from Buyer of a certificate to the effect that such unit of the Railroad Equipment has been repaired, restored or replaced, as the case may be (which certificate shall be accompanied by satisfactory evidence of such repair, restoration or replacement), provided that so long as any default by Buyer or Event of Default shall be continuing hereunder, Seller shall be entitled to apply such proceeds against Buyer's liability hereunder. Buyer shall furnish Seller with certificates or other evidence of compliance with this Paragraph 13 as may reasonably be requested.

14. A very important element of this Conditional Sale Agreement is that Buyer make all its payments promptly as agreed upon. Also essential is that the collateral continue to be in good condition (ordinary wear and tear excepted) so

as to provide adequate security for the indebtedness. The following are the Events of Default under this agreement which will allow Seller to take such action under this Paragraph and under Paragraph 15 as it deems necessary:

(a) Any of Buyer's obligations to Seller under this Conditional Sale Agreement is not paid within ten business days after such payment date;

(b) Buyer breaches any warranty or provision hereof, or of any other instrument or agreement delivered by Buyer to Seller in connection with this transaction;

(c) Buyer ceases to do business as a going concern;

(d) It is determined that Buyer has given Seller false information of a material nature regarding its financial condition;

(e) Any proceeding shall be commenced by or against Buyer for any relief which includes, or might result in, any modification of the obligations of Buyer hereunder, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than laws which do not permit any readjustments of the obligations of Buyer hereunder), and, unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Buyer under this Conditional Sale Agreement

shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for Buyer or for the property of Buyer in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be later.

If Buyer shall be in default hereunder, all amounts then owing by Buyer to Seller under this Conditional Sale Agreement shall, if Seller shall so elect, become immediately due and payable. This acceleration of all indebtedness, if elected by Seller, shall be subject to all applicable laws, including laws as to rebates and refunds of unearned charges.

15. So long as any obligations are owed by Buyer to Seller under this Conditional Sale Agreement, Seller shall have all the rights and remedies provided by this Conditional Sale Agreement and provided a secured party under applicable law. After default by Buyer, Seller's rights and remedies include but are not limited to a number of choices. Buyer acknowledges that if it defaults Seller is justly entitled to do whatever the law allows to avoid loss to itself and also to obtain for itself the benefit of the bargain under

this Conditional Sale Agreement. Consequently, Buyer agrees that upon Buyer's default Seller, among its other rights and remedies, may by itself or its agent, upon notice to Buyer, enter the premises or upon the land where the collateral is located and without removing the collateral render any Railroad Equipment which is part of the collateral unusable and/or take possession of the collateral, provided such self-help is done without any breach of the peace. In order to afford itself these and related remedies, Seller must be able to enter the premises or land in or upon which the collateral is located. Buyer, therefore agrees that upon Buyer's default Seller by itself or its agent, may upon notice to Buyer enter at Seller's risk, into any premises or upon any land (including access roads and rights of way) owned, leased or otherwise under the actual control of Buyer or any agent of Buyer where the collateral may be or where Seller believes the collateral may be, and using reasonable force with respect to the collateral and any property connected to the collateral, disassemble, render unusable, disconnect and separate all collateral from any other property and/or repossess and remove all or any item of the collateral. Buyer will not hinder or delay Seller or its agent in any way. Seller may require Buyer to assemble the collateral and return it to Seller at a place on the railroad lines of Buyer to be designated by Seller which is reasonably convenient to both parties. The security interest, granted hereby shall continue effective irrespective of any retaking and



redelivery of the collateral to Buyer until all amounts secured thereby are fully paid in money.

Unless Buyer otherwise agrees in writing after default, Seller will give Buyer reasonable notice of the time and place of any public sale of the collateral or reasonable notice of the time after which any private sale or other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed by registered mail, postage prepaid, to the address of Buyer shown herein at least fifteen business days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling and the like shall include reasonable attorneys' fees and other reasonable legal expenses. Buyer understands that Seller's rights are cumulative and not alternative and that Buyer will remain fully liable for any deficiency remaining after disposition of the collateral.

16. Any waiver by either party in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this Conditional Sale Agreement shall be binding against either party unless in writing and signed by the party against whom such modification or change is sought to be enforced.

17. The nondiscrimination clauses attached hereto as Appendix A are incorporated herein by reference and form a part hereof.

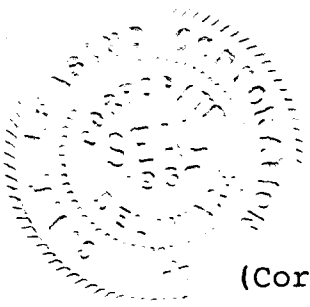
18. If it becomes necessary for Seller's officers, employees, representatives, agents, assignees and/or successors to enter upon the premises or property of Buyer or any third party in connection with this Conditional Sale Agreement, Seller shall take all necessary and proper precaution against the occurrence of any accident or injury (including death) to any such person or property during the presence of such individuals on such premises or property and Seller shall be responsible for, and shall indemnify, defend and save harmless Buyer from any and all costs, damages, liabilities, expenses (including attorneys' fees) and/or penalties arising out of, or in connection with, the presence of such individuals on such premises or property, whether caused in whole, or in part by the fault, failure or negligence (other than gross negligence or willful misconduct) of Buyer, its officers, employees, agents, representatives, assignees and/or successors, any inherent defect in the Railroad Equipment or any other cause whatsoever.

19. Seller represents that none of its directors, managers or purchasing or selling officers is a director, president, manager or purchasing officer or agent of Buyer or has a substantial interest in Buyer.

20. Any provisions hereof contrary to, prohibited by, or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. Buyer acknowledges receipt of a true copy and waives acceptance hereof.

21. The address of the Seller is 650 Madison Avenue, New York, New York 10022, Attention: N. Zdanow, Vice President. The address of the Buyer is Room 1310, Six Penn Center Plaza, Philadelphia, Pennsylvania 19104, Attention: Director, Equipment Financing.

22. Buyer and Seller agree that this Conditional Sale Agreement and the rights of the parties hereunder shall be interpreted under the laws of the Commonwealth of Pennsylvania.



(Corporate Seal)

Attest: *[Signature]*  
Assistant Secretary

C.I.T. LEASING CORPORATION  
as agent for C.I.T. FINANCIAL  
Services, Inc.

By *[Signature]*

Title *V.P.*

CONSOLIDATED RAIL CORPORATION

By *[Signature]*

Title DIRECTOR - EQUIP. FINANCING

(Corporate Seal)

Attest: *[Signature]*  
Assistant Secretary

# SCHEDULE A

SCHEDULE OF RAILROAD EQUIPMENT attached to and part of the Conditional Sale Agreement dated March 15, 1982 between C.I.T. Financial Services, Inc., acting through its agent C.I.T. Leasing Corporation and Consolidated Rail Corporation

## 192 100-Ton Triple Hopper Cars

		A.A.R.	
		Mech.	
PRESENT		ORIG	
UNIT NUMBER	Desig.	UNIT NUMBER	
CR 483639	HT	RDG 041531	
CR 483642	HT	RDG 041534	
CR 483645	HTR	RDG 041537	
CR 483649	HT	RDG 041541	
CR 483654	HT	RDG 041546	
CR 483655	HTR	RDG 041547	
CR 483657	HT	RDG 041549	
CR 483665	HT	RDG 041557	
CR 483668	HT	RDG 041560	
CR 483671	HT	RDG 041563	
CR 483678	HT	RDG 041570	
CR 483679	HT	RDG 041571	
CR 483680	HT	RDG 041572	
CR 483681	HT	RDG 041573	
CR 483685	HTR	RDG 041577	
CR 483688	HT	RDG 041580	
CR 483690	HT	RDG 041582	
CR 483692	HT	RDG 041584	
CR 483694	HT	RDG 041586	
CR 483698	HT	RDG 041590	
CR 483699	HT	RDG 041591	
CR 483702	HT	RDG 041594	
CR 483704	HT	RDG 041596	
CR 483705	HT	RDG 041597	
CR 483706	HTR	RDG 041598	
CR 483712	HT	RDG 041604	
CR 483716	HT	RDG 041608	
CR 483717	HTR	RDG 041609	
CR 483719	HT	RDG 041611	
CR 483724	HT	RDG 041616	
CR 483725	HTR	RDG 041617	
CR 483726	HT	RDG 041618	
CR 483728	HTR	RDG 041620	
CR 483729	HT	RDG 041621	
CR 483733	HTR	RDG 041625	
CR 483737	HT	RDG 041629	
CR 483738	HTR	RDG 041630	
CR 483740	HT	RDG 041632	
CR 483741	HT	RDG 041633	
CR 483745	HT	RDG 041637	
CR 483747	HTR	RDG 041639	
CR 483749	HTR	RDG 041641	
CR 483750	HT	RDG 041642	
CR 483755	HT	RDG 041647	
CR 483756	HT	RDG 041648	
CR 485057	HTR	RDG 041450	
CR 485058	HTR	RDG 041451	
CR 485059	HTR	RDG 041452	
CR 485060	HTR	RDG 041453	
CR 485061	HTR	RDG 041454	
CR 485062	HTR	RDG 041455	

		A.A.R.	
		Mech.	
PRESENT		ORIG	
UNIT NUMBER	Desig.	UNIT NUMBER	
CR 485063	HTR	RDG 041456	
CR 485064	HT	RDG 041457	
CR 485065	HTR	RDG 041458	
CR 485067	HTR	RDG 041460	
CR 485068	HTR	RDG 041461	
CR 485069	HT	RDG 041462	
CR 485070	HTR	RDG 041463	
CR 485071	HTR	RDG 041464	
CR 485072	HTR	RDG 041465	
CR 485073	HTR	RDG 041466	
CR 485074	HTR	RDG 041467	
CR 485075	HT	RDG 041468	
CR 485076	HT	RDG 041469	
CR 485077	HTR	RDG 041470	
CR 485078	HT	RDG 041471	
CR 485079	HTR	RDG 041472	
CR 485080	HTR	RDG 041473	
CR 485081	HTR	RDG 041474	
CR 485082	HTR	RDG 041475	
CR 485083	HTR	RDG 041476	
CR 485085	HTR	RDG 041478	
CR 485086	HTR	RDG 041479	
CR 485087	HT	RDG 041480	
CR 485088	HTR	RDG 041481	
CR 485089	HTR	RDG 041482	
CR 485090	HTR	RDG 041483	
CR 485091	HTR	RDG 041484	
CR 485092	HTR	RDG 041485	
CR 485093	HTR	RDG 041486	
CR 485094	HTR	RDG 041487	
CR 485095	HT	RDG 041488	
CR 485097	HTR	RDG 041490	
CR 485098	HTR	RDG 041491	
CR 485099	HTR	RDG 041492	
CR 485100	HTR	RDG 041493	
CR 485101	HTR	RDG 041494	
CR 485102	HTR	RDG 041495	
CR 485103	HTR	RDG 041496	
CR 485104	HTR	RDG 041497	
CR 485105	HTR	RDG 041498	
CR 485106	HTR	RDG 041499	
CR 485107	HT	RDG 041500	
CR 485108	HTR	RDG 041501	
CR 485109	HTR	RDG 041502	
CR 485110	HTR	RDG 041503	
CR 485111	HTR	RDG 041504	
CR 485112	HTR	RDG 041505	
CR 485113	HTR	RDG 041506	
CR 485114	HTR	RDG 041507	
CR 485115	HTR	RDG 041508	
CR 485116	HTR	RDG 041509	

(Continued next page)

# SCHEDULE A (Continued)

SCHEDULE OF RAILROAD EQUIPMENT attached to and part of the  
Conditional Sale Agreement dated March 15, 1982 between  
C.I.T. Financial Services, Inc., acting through its agent  
C.I.T. Leasing Corporation and Consolidated Rail  
Corporation

PRESENT UNIT NUMBER	A.A.R. Mech. Desig.	ORIG UNIT NUMBER
CR 485117	HTR	RDG 041510
CR 485118	HTR	RDG 041511
CR 485119	HTR	RDG 041512
CR 485120	HTR	RDG 041513
CR 485121	HTR	RDG 041514
CR 485122	HTR	RDG 041515
CR 485123	HTR	RDG 041516
CR 485124	HTR	RDG 041517
CR 485125	HTR	RDG 041518
CR 485127	HTR	RDG 041520
CR 485128	HTR	RDG 041521
CR 485129	HTR	RDG 041522
CR 485130	HTR	RDG 041523
CR 485131	HT	RDG 041524
CR 485132	HTR	RDG 041525
CR 485133	HTR	RDG 041526
CR 485134	HTR	RDG 041527
CR 485135	HTR	RDG 041528
CR 485136	HTR	RDG 041529
RDG 041530	HT	RDG 041530
RDG 041532	HT	RDG 041532
RDG 041533	HT	RDG 041533
RDG 041535	HT	RDG 041535
RDG 041536	HT	RDG 041536
RDG 041538	HT	RDG 041538
RDG 041539	HT	RDG 041539
RDG 041540	HT	RDG 041540
RDG 041542	HT	RDG 041542 ✓
RDG 041543	HT	RDG 041543
RDG 041544	HT	RDG 041544
RDG 041545	HT	RDG 041545
RDG 041548	HT	RDG 041548
RDG 041552	HT	RDG 041552
RDG 041553	HT	RDG 041553
RDG 041554	HT	RDG 041554
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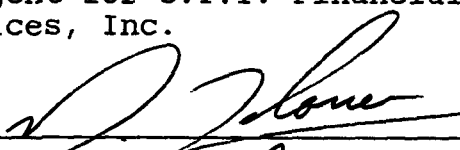
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SCHEDULE B

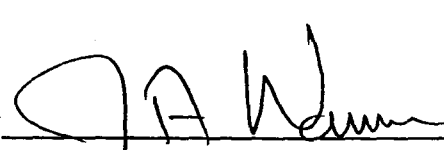
CASUALTY/PREPAYMENT SCHEDULE  
attached to and part of the  
Conditional Sale Agreement  
dated March 15, 1982 between  
C.I.T. Financial Services, Inc.  
acting through its agent  
C.I.T. Leasing Corporation and  
Consolidated Rail Corporation

<u>Payment No.</u>	<u>Amount Per Unit</u>	<u>Payment No.</u>	<u>Amount Per Unit</u>
1	\$10,771.44	21	\$7,223.63
2	10,652.30	22	6,962.58
3	10,528.39	23	6,691.08
4	10,399.53	24	6,408.72
5	10,265.51	25	6,115.07
6	10,126.13	26	5,809.67
7	9,981.18	27	5,492.06
8	9,830.43	28	5,161.74
9	9,673.65	29	4,818.21
10	9,510.60	30	4,460.94
11	9,341.02	31	4,089.38
12	9,164.66	32	3,702.96
13	8,981.25	33	3,301.08
14	8,790.50	34	2,883.12
15	8,592.12	35	2,448.44
16	8,385.80	36	1,996.38
17	8,171.23	37	1,526.24
18	7,948.08	38	1,037.29
19	7,716.00	39	528.78
20	7,474.64	40	--

C.I.T. LEASING CORPORATION  
as agent for C.I.T. Financial  
Services, Inc.

By   
Title V.P.

CONSOLIDATED RAIL CORPORATION

By   
Title DIRECTOR - EQUIP. FINANCING

# CONSOLIDATED RAIL CORPORATION

Supplement to terms and conditions on the reverse side of this order.

## APPENDIX I NONDISCRIMINATION CLAUSES (Services)

### 1. DEFINITIONS

As used in this appendix:

- (a) "Act" means the Railroad Revitalization and Regulatory Reform Act of 1976 (Pub.L. No. 94-210).
- (b) "Administrator" means the Federal Railroad Administrator or his delegate.
- (c) "Affirmative action program" means the program described in Sections 265.9, 265.11, 265.13, and 265.15 of 49 CFR part 265.
- (d) "Agency" means the Federal Railroad Administration.
- (e) "Contract" means a contract between Consolidated Rail Corporation ("Conrail") and a Contractor in connection with a project, program or activity of Conrail funded in whole or in part directly or indirectly from financial assistance under the Rail Acts.
- (f) "Contractor" means a prime contractor or a subcontractor who will be paid in whole or in part directly or indirectly from financial assistance under the Rail Acts.
- (g) "Minority" means women, Blacks, Hispanic Americans, American Indians, American Eskimos, American Orientals and American Aleuts.
- (h) "Rail Acts" means the Act and the provisions of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) and the Rail Passenger Service Act (45 U.S.C. 501 et seq.) amended by The Act.

2. As a condition to the award of this Contract, Contractor hereby agrees to observe and comply with the following:

- (i) No person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, or denied the benefits of, or be subjected to discrimination under, any Contract.

3. A contractor under any Contract to which these clauses apply shall not, directly or through contractual or other arrangements, on the ground of race, color, national origin or sex:

- (A) Deny a person any service, financial aid, or other benefit provided under such Contract;
- (B) Provide any service, financial aid, or other benefit which is different, or is provided in a different manner, from that provided to others under such contract;
- (C) Subject a person to segregation or separate treatment in any matter related to his receipt of any service, financial aid or other benefit under such Contract;
- (D) Restrict a person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid or other benefit under such contract; or
- (E) Deny a person an opportunity to participate in such Contract through the provision of services or otherwise afford him an opportunity to do so which is different from that afforded others under such Contract.

4. A Contractor, in determining the types of services, financial aid, or other benefits, or facilities which will be provided under any such Contract or the class of persons to whom or the situations to which such services, financial aid, other benefits, or facilities will be provided under any such Contract, or the class of persons to be afforded an opportunity to participate in any such Contract, shall not directly or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, national origin, or sex, or have the effect of defeating of substantially impairing accomplishment of the objectives of the Contract with respect to individuals of a particular race, color, national origin or sex.

5. In determining the site or location of facilities, a Contractor shall not make selections with the purpose or effect of excluding persons from, denying them the benefits of, or subjecting them to discrimination under any Contract to which these clauses apply on the grounds of race, color, national origin or sex, or with the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of these clauses.

6. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, national origin or sex. Except as otherwise required by the regulations or orders of the Administrator, the Contractor shall take affirmative action to insure that applicants for employment are employed, and the employees are treated during employment, without regard to their race, color, national origin or sex. Such action shall include, but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency's representative setting forth the provisions of these nondiscrimination clauses. The contractor understands and agrees that it shall not be an excuse for the Contractor's failure to provide affirmative action that the labor organizations with which the Contractor has a collective bargaining agreement failed or refused to admit or qualify minorities for admission to the union, or that the provisions of such agreements otherwise prevent Contractor from implementing its affirmative action program.

7. The Contractor shall not discriminate against any business organization in the award of any subcontract because of race, color, national origin or sex of its employees, managers or owners. Except as otherwise required by the regulations or orders of the Administrator, the Contractor shall take affirmative action to insure that business organizations are permitted to compete and are considered for awards of subcontracts without regard to race, color, national origin or sex.

8. As used in these clauses, the services, financial aid, or other benefits provided under a Contract under the Rail Acts include any service, financial aid, or other benefit provided in or through a facility funded through financial assistance provided under the Rail Acts.

9. The enumeration of specific forms of prohibited discrimination does not limit the generality of the prohibition in paragraph (2) (i) of this appendix.

10. These clauses do not prohibit the consideration of race, color, national origin or sex if the purpose and effect are to remove or overcome the consequences of practices or impediments which have restricted the availability of, or participation in Contractor's operations or activities on the grounds of race, color, national origin or sex. Where prior discriminatory or other practice or usage tends, on the grounds of race, color, national origin or sex, to exclude individuals or businesses from participation in, to deny them the benefits of, or to subject them to discrimination under any Contract to which these clauses apply, the Contractor must take affirmative action to remove or overcome the effects of the prior discriminatory practice or usage. Even in the absence of prior discriminatory practice or usage to which 49 CFR part 265 applies, the Contractor is expected to take affirmative action to insure that no person is excluded from participation in or denied the benefits of the Contract on the grounds of race, color, national origin or sex, and that minorities and minority businesses are afforded a reasonable opportunity to participate in employment and procurement opportunities that will result from financial assistance provided under the Rail Acts.

11. The Contractor agrees to take such actions as are necessary to monitor its activities and those of its subcontractors who will be paid in whole or in part with funds provided by the Rail Acts or from obligations guaranteed by the Administrator pursuant to the Rail Acts in order to carry out affirmatively the purposes of paragraph (2) above, and to implement the affirmative action program developed and implemented pursuant to 49 CFR 265.

12. The Contractor shall, in all advertisements for employees, or solicitations for services or materials from business organizations placed by or on behalf of the Contractor in connection with any contract funded in whole or in part with financial assistance under the Rail Acts, state that all applicants for employment will receive consideration for employment, and all business organizations will receive consideration for an award of a subcontract, without regard to race, color, national origin or sex.

13. The Contractor shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by the Agency's representative, advising the labor organization or worker's representative of the Contractor's commitments under section 905 of the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

14. The Contractor shall comply with all provisions of section 905 of the Act, the Civil Rights Act of 1964, any other Federal civil rights act, and with the rules, regulations and orders issued under such acts.

15. The Contractor shall furnish all information and reports required by the rules, regulations and orders of the Administrator, and will permit access to its books, records, and accounts by the Administrator for purposes of investigation to ascertain compliance with rules, regulations and orders referred to in paragraph 14 hereof.

16. The Contractor shall furnish such relevant procurement information as may be requested by the Minority Business Resource Center of the Agency. Upon the request of the Contractor, the Center shall keep such information confidential to the extent necessary to protect commercial or financial information or trade secrets to the extent permitted by law.

17. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this agreement, or with the provisions of section 905 of the Act, the Civil Rights Act of 1964, or with any other Federal civil rights act, or with any rules, regulations, or orders issued under such acts, this contract will, after notice of such noncompliance, and after affording a reasonable opportunity for compliance, be cancelled, terminated, or suspended in whole or in part.

18. The Contractor shall not enter into any subcontract or subcontract modification whether for the furnishing of supplies or services or for the use of real or personal property, including lease arrangements, or for construction, in connection with a Contract, with a subcontract debarred from or who has not demonstrated eligibility for Federal or federally assisted contracts, and will carry out such sanctions and penalties for violation of this part as may be imposed upon contractors and subcontractors by the Administration or any other authorized Federal official. The Contractor shall insure that the clauses required by 41 CFR Sec. 60-1.4b implementing Executive Order No. 11246 will be placed in each non-exempt federally assisted construction contract.

19. The Contractor agrees to comply with and implement the written affirmative action program established pursuant to section 265.11 of Title 49 CFR.

20. The Contractor agrees to notify the Administrator promptly of any law suit or complaint filed against the Contractor alleging discrimination on the basis of race, color, national origin or sex.

21. The Contractor shall include the preceding provisions of paragraphs (1) through (20) in every subcontract or purchase order, whether for the furnishing of supplies or services or for the use of real or personal property, including lease arrangements, or for construction relating to this Contract.

The Contractor will take such action with respect to any such subcontract or purchase order as the Administrator may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Administrator, the Contractor may request the United States to enter into such litigation.

22. The Contractor shall require, as a condition to the award of a subcontract of \$50,000 or more in connection with the Contract, that the subcontractor furnish a certificate that a written affirmative action program meeting the requirements of 49 CFR Part 265 has been developed and is being maintained.

(OVER)

CONSOLIDATED RAIL CORPORATION  
SUPPLEMENT TO TERMS & CONDITIONS ON THE REVERSE SIDE OF THIS ORDER  
APPENDIX I NONDISCRIMINATION CLAUSES

23. Conrail, as a recipient of federal financial assistance under 49 CFR Part 23, is required to include the following statements in all Agreements between it and any Contractor/Seller:
- (A) Policy. It is the policy of the Department of Transportation that minority business enterprises (MBEs), as defined in 49 CFR Part 23, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this Agreement. Consequently, the MBE requirements of 49 CFR Part 23 apply to this Agreement.
  - (B) MBE Obligation. The Contractor/Seller agrees to ensure that MBEs, as defined in 49 CFR Part 23, have the maximum opportunity to participate in the performance of contracts and sub-contracts financed in whole or in part with federal funds provided under this Agreement. In this regard, Contractor/Seller shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts. Contractor/Seller shall not discriminate on the basis of race, color, national origin or sex in the award and in the performance of DOT-assisted contracts.
  - (C) Breach of MBE Provisions. Failure on the part of Contractor/Seller to carry out the requirements set forth in Sections (A) and (B) above shall constitute a breach of this Agreement and, after notification of the Department of Transportation, may result in termination of this Agreement by Conrail or such remedy as Conrail deems appropriate.
24. Conrail is required by federal law to include the following non-discrimination statement in Agreements between it and any Contractor/Seller:
- (A) Nondiscrimination Statement. Pursuant to the authority set forth in 41 CFR 60-1.4(d), 41 CFR 60-741.22 and 41 CFR 60-250.22, the clauses and regulations set forth in 41 CFR 60-1.4 (Equal Opportunity Clause), 41 CFR 60-250.4 (Affirmative Action Clause for Disabled and Vietnam Era Veterans) and 41 CFR 60-741.4 (Affirmative Action Clause for Handicapped Workers) are incorporated herein by reference. These incorporated sections require that the Contractor/Seller during the performance of this Agreement, agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, because he or she is a disabled veteran or veteran of the Vietnam Era, or because of physical or mental handicap. This description is intended as a summation of the regulations only, and the applicable regulations should be referred to for a fuller understanding of the obligations set forth therein.



This acknowledgement hereby becomes a part of that Conditional Sale Agreement dated March 15, 1982 between C.I.T. Financial Services, Inc., acting through its agent, C.I.T. Leasing Corporation, Secured Party, and Consolidated Rail Corporation, Debtor.

Commonwealth of Pennsylvania )  
County of Philadelphia ) ss

On this 23<sup>RD</sup> day of March, 1982, before me personally appeared J. A. WARNER, to me personally known, who being by me duly sworn, says tha he is <sup>DIRECTOR-EQUIP. FINANCING</sup> ~~a Vice President~~ of Consolidated Rail Corporation, and that said instrument was signed by him on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
James A. Winters  
NOTARY PUBLIC

My commission expires Sept 12, 1983

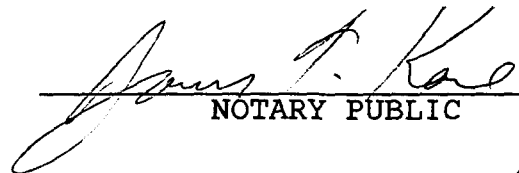
JAMES A. WINTERS  
Notary Public, Phila., Phila. Co.  
My Commission Expires Sept. 12, 1983

State of New York )

) ss

County of New York )

On this 24<sup>th</sup> day of March, 1982, before me personally appeared N. Zdanow, to me personally known, who being by me duly sworn, says that he is a Vice President of C.I.T. Leasing Corporation, and that said instrument was signed by him on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
NOTARY PUBLIC

My commission expires 3/30/83

JAMES T. KANE  
Notary Public, State of New York  
No. 02 KA 4706991  
Qualified in Kings County  
Commission Expires March 30, 1983